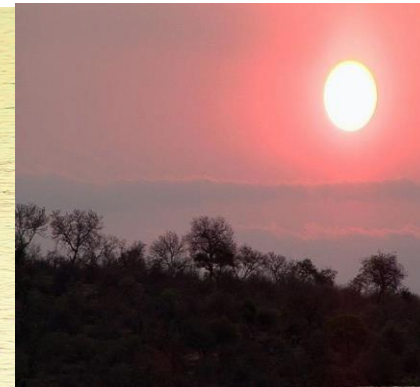


BA-PHALABORWA MUNICIPALITY



FINANCIAL PERFORMANCE REPORT

AS AT 31 AUGUST 2016



Values

- Efficiency and effectiveness;
- Accountability;
- Innovation and creativity;
- Professionalism and hospitality;
- Transparency and fairness;
- Continuous learning and
- Conversation conscious

The Home of Marula and Wildlife Tourism

Vision

“Provision of quality services for community well-being and tourism development”

Mission

“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and

SUMMARY

LIM334 Ba-Phalaborwa - Table C1 Monthly Budget Statement Summary - M02 August

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	106,776	-	6,529	14,209	17,796	(3,587)	-20%	106,776
Service charges	-	133,683	-	8,561	18,090	22,281	(4,191)	-19%	133,683
Investment revenue	-	506	-	122	154	84	70	83%	506
Transfers recognised - operational	-	114,153	-	458	46,472	19,026	27,447	144%	114,153
Other own revenue	-	92,307	-	5,688	9,516	15,385	(5,868)	-38%	92,307
Total Revenue (excluding capital transfers and contributions)	-	447,425	-	21,359	88,442	74,571	13,871	19%	447,425
Employee costs	-	129,304	-	9,296	18,950	21,551	(2,601)	-12%	129,304
Remuneration of Councillors	-	13,784	-	951	2,114	2,297	(183)	-8%	13,784
Depreciation & asset impairment	-	66,899	-	4,945	9,888	11,150	(1,262)	-11%	66,899
Finance charges	-	1,519	-	50	101	253	(152)	-60%	1,519
Materials and bulk purchases	-	92,259	-	5,439	12,456	15,376	(2,920)	-19%	92,259
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	172,589	-	4,853	10,164	28,765	(18,601)	-65%	172,589
Total Expenditure	-	476,355	-	25,533	53,674	79,393	(25,719)	-32%	476,355
Surplus/(Deficit)	-	(28,930)	-	(4,174)	34,768	(4,822)	39,590	-821%	(28,930)
Transfers recognised - capital	-	29,460	-	5,849	9,998	4,910	5,088	104%	29,460
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	530	-	1,675	44,766	88	44,677	50584%	530
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	530	-	1,675	44,766	88	44,677	50584%	530
Capital expenditure & funds sources									
Capital expenditure	-	48,460	-	7,334	10,973	8,077	2,896	36%	48,460

Capital transfers recognised	-	29,460	-	5,131	8,770	4,910	3,860	79%	29,460
Public contributions & donations	-	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	-	19,000	-	2,203	2,203	3,167	(964)	-30%	19,000
Total sources of capital funds	-	48,460	-	7,334	10,973	8,077	2,896	36%	48,460
Financial position									
Total current assets	-	228,925	-		1,055,900				228,925
Total non current assets	-	1,068,923	-		928,141				1,068,923
Total current liabilities	-	3,060	-		21,766				3,060
Total non current liabilities	-	43,000	-		215,050				43,000
Community wealth/Equity	-	1,251,789	-		1,747,224				1,251,789
Cash flows									
Net cash from (used) operating	-	40,309	-	(8,268)	28,649	6,718	(21,931)	-326%	40,309
Net cash from (used) investing	-	(40,160)	-	(24,868)	(29,016)	(6,693)	22,323	-334%	(40,160)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	-	1,849	-	-	2,047	1,725	(322)	-19%	2,563
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	23,501	17,560	13,455	11,988	11,147	11,886	11,735	475,426	576,698
Creditors Age Analysis									
Total Creditors	12,192	308	-	-	-	-	-	-	12,500

Notes

- Operating Revenue (excluding capital transfers and contributions) is R21.4 million

Transfers recognised – capital amount in the month of August 2016 is R5.8 million

- Operational Expenditure on financial Performances is R25.5 million

- Capital expenditure incurred during the month of August 2016 amount to R7.3 million (MIG and internal capital expenditure excluding vat)

LIM334 Ba-Phalaborwa - Supporting Table SC1 Material variance explanations - M02 August

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<u>Revenue By Source</u>			
	Property rates	(3,587)	Changes in the categories of property on the Valuation roll	Constant monitoring
	Service charges	(4,191)	Electricity losses caused by old infrastructure and illegal connections	investigations and audit to be conducted
	Investment revenue	70	The call accounts yielded more interest than we expected	None
	Other own revenue	(5,868)		None
2	<u>Expenditure By Type</u>			
	Employee costs	(2,601)	changes in staff complement	None
	Depreciation & asset impairment	(1,262)		
	Finance charges	(152)		None
	Materials and bulk purchases	(2,920)	Under billing and low consumptions	
3	<u>Capital Expenditure</u>			
	Capital transfers recognised	3,860	Spending on MIG projects are high	To continue spending according to plan
	Internally generated funds	(964)		To have cash backed in order to spend on Internal funded Projects

1. FINANCIAL PERFORMANCE OF REVENUE AND EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Revenue - Standard</u>										
<i>Governance and administration</i>		-	279,451	-	9,177	65,089	46,575	18,514	40%	279,451
Budget and treasury office		-	278,839	-	9,125	64,981	46,473	18,508	40%	278,839
Corporate services		-	612	-	53	108	102	6	6%	612
<i>Community and public safety</i>		-	14,422	-	2,061	2,397	2,404	(7)	0%	14,422
Community and social services		-	14,155	-	2,031	2,307	2,359	(52)	-2%	14,155
Public safety		-	267	-	29	90	45	45	101%	267
<i>Economic and environmental services</i>		-	32,421	-	6,583	11,223	5,404	5,820	108%	32,421
Planning and development		-	59	-	447	846	10	837	8562%	59
Road transport		-	32,363	-	6,136	10,377	5,394	4,983	92%	32,363
<i>Trading services</i>		-	150,590	-	9,387	19,730	25,098	(5,369)	-21%	150,590
Electricity		-	127,845	-	7,784	16,531	21,307	(4,777)	-22%	127,845
Waste management		-	22,745	-	1,603	3,199	3,791	(592)	-16%	22,745
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	476,885	-	27,208	98,439	79,481	18,959	24%	476,885
<u>Expenditure - Standard</u>	-									
<i>Governance and administration</i>		-	194,932	-	7,435	16,458	32,489	(16,030)	-49%	194,932
Executive and council		-	48,056	-	3,111	6,338	8,009	(1,672)	-21%	48,056
Budget and treasury office		-	99,999	-	2,008	4,770	16,667	(11,896)	-71%	99,999
Corporate services		-	46,877	-	2,315	5,350	7,813	(2,462)	-32%	46,877
<i>Community and public safety</i>		-	59,627	-	3,608	6,447	9,938	(3,491)	-35%	59,627
Community and social services		-	48,993	-	2,978	5,095	8,166	(3,071)	-38%	48,993
Public safety		-	10,634	-	630	1,353	1,772	(420)	-24%	10,634
<i>Economic and environmental services</i>		-	88,811	-	7,592	15,114	14,802	312	2%	88,811

Planning and development		-	11,192	-	760	1,308	1,865	(557)	-30%	11,192
Road transport		-	77,619	-	6,833	13,806	12,936	869	7%	77,619
Trading services		-	132,985	-	6,898	15,654	22,164	(6,510)	-29%	132,985
Electricity		-	124,864	-	6,766	15,203	20,811	(5,607)	-27%	124,864
Water		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	8,121	-	132	451	1,354	(903)	-67%	8,121
Other		-	-	-	-	-	-	-		-
Total Expenditure - Standard	3	-	476,355	-	25,533	53,674	79,393	(25,719)	-32%	476,355
Surplus/ (Deficit) for the year		-	530	-	1,675	44,766	88	44,677	50584%	530

Notes:

- Total revenue by vote amount to R27.2 million including transfers – capital recognition.
- Operational Expenditure on financial Performances is R25.5 million.

FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE PER SOURCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2015/16	Budget Year 2016/17								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
Revenue By Source											
Property rates			106,776	-	6,529	14,209	17,796	(3,587)	-20%	106,776	
Service charges - electricity revenue			116,655	-	7,466	15,898	19,442	(3,544)	-18%	116,655	
Service charges - refuse revenue			17,029	-	1,095	2,191	2,838	(647)	-23%	17,029	
Rental of facilities and equipment			470	-	19	50	78	(29)	-37%	470	
Interest earned - external investments			506	-	122	154	84	70	83%	506	
Interest earned - outstanding debtors			76,042	-	3,090	6,108	12,674	(6,566)	-52%	76,042	
Fines			423	-	30	90	71	19	27%	423	
Licences and permits			11,205	-	2,011	2,265	1,868	397	21%	11,205	
Agency services			2,539	-	-	-	423	(423)	-100%	2,539	
Transfers recognised - operational			114,153	-	458	46,472	19,026	27,447	144%	114,153	
Other revenue			1,628	-	539	1,004	271	733	270%	1,628	
Gains on disposal of PPE							-	-			
Total Revenue (excluding capital transfers and contributions)			-	447,425	-	21,359	88,442	74,571	13,871	19%	447,425
Expenditure By Type											
Employee related costs	-		129,304	-	9,296	18,950	21,551	(2,601)	-12%	129,304	
Remuneration of councillors			13,784	-	951	2,114	2,297	(183)	-8%	13,784	
Debt impairment			35,525	-	-	-	5,921	(5,921)	-100%	35,525	
Depreciation & asset impairment			66,899	-	4,945	9,888	11,150	(1,262)	-11%	66,899	
Finance charges			1,519	-	50	101	253	(152)	-60%	1,519	
Bulk purchases			92,259	-	5,439	12,456	15,376	(2,920)	-19%	92,259	
Contracted services			50,055	-	2,247	3,568	8,343	(4,775)	-57%	50,055	
Other expenditure			87,009	-	2,605	6,597	14,501	(7,905)	-55%	87,009	
Loss on disposal of PPE							-	-			
Total Expenditure			-	476,355	-	25,533	53,674	79,393	(25,719)	-32%	476,355

Surplus/(Deficit)		-	(28,930)	-	(4,174)	34,768	(4,822)	39,590	(0)	(28,930)
Transfers recognised - capital			29,460		5,849	9,998	4,910	5,088	0	29,460
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	530	-	1,675	44,766	88			530

Notes:

- ❖ Operating Revenue (excluding capital transfers and contributions) is R21.4 million for the month ending 31 August 2016.
- ❖ Operational Expenditure on financial Performances is R25.5 million

2. CAPITAL EXPENDITURE (MUNICIPAL VOTE, STANDARD CLASSIFICATION AND FUNDING)

LIM334 Ba-Phalaborwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M02 August

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	500	-	-	-	83	(83)	-100%	500
Vote 2 - Budget and Treasury Department		-	1,000	-	-	-	167	(167)	-100%	1,000
Vote 3 - Corporate Services		-	4,900	-	7	7	817	(810)	-99%	4,900
Vote 6 - Technical Services Department		-	42,060	-	7,327	10,966	7,010	3,956	56%	42,060
		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	48,460	-	7,334	10,973	8,077	2,896	36%	48,460
Total Capital Expenditure		-	48,460	-	7,334	10,973	8,077	2,896	36%	48,460
Capital Expenditure - Standard Classification										
Governance and administration		-	6,400	-	7	7	1,067	(1,060)	-99%	6,400
Executive and council			500		-	-	83	(83)	-100%	500
Budget and treasury office			1,000		-	-	167	(167)	-100%	1,000
Corporate services			4,900		7	7	817	(810)	-99%	4,900
Community and public safety		-	-	-	-	-	-	-		-
Economic and environmental services		-	30,460	-	5,131	8,770	5,077	3,693	73%	30,460
Road transport			30,460		5,131	8,770	5,077	3,693	73%	30,460
Trading services		-	11,600	-	2,197	2,197	1,933	263	14%	11,600
Electricity			11,600		2,197	2,197	1,933	263	14%	11,600
Other								-		
Total Capital Expenditure - Standard Classification	3	-	48,460	-	7,334	10,973	8,077	2,896	36%	48,460

Funded by:										
National Government			29,460		5,131	8,770	4,910	3,860	79%	29,460
Internally generated funds			19,000		2,203	2,203	3,167	(964)	-30%	19,000
Total Capital Funding		-	48,460	-	7,334	10,973	8,077	2,896	36%	48,460

Note:

- Capital expenditure incurred during the month of August 2016 excluding VAT amount to R7.3 million.

3. FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			1,849		2,047	1,849
Call investment deposits			1,800		25,438	1,800
Consumer debtors			144,976		576,698	144,976
Inventory			80,300		451,717	80,300
Total current assets			228,925		1,055,900	228,925
Non current assets						
Investment property			42,999		43,858	42,999
Property, plant and equipment			1,023,821		882,731	1,023,821
Biological assets			388		267	388
Intangible assets			1,715		1,285	1,715
Other non-current assets			-		-	-
Total non current assets			1,068,923		928,141	1,068,923
TOTAL ASSETS			1,297,849		1,984,041	1,297,849
LIABILITIES						
Current liabilities						
Consumer deposits			3,060			3,060
Trade and other payables			-		21,766	-
Provisions						
Total current liabilities			3,060		21,766	3,060

Non current liabilities						
Borrowing			28,000			28,000
Provisions			15,000		215,050	15,000
Total non current liabilities		-	43,000	-	215,050	43,000
TOTAL LIABILITIES		-	46,060	-	236,816	46,060
NET ASSETS	2	-	1,251,789	-	1,747,224	1,251,789
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			1,251,789		1,747,224	1,251,789
Reserves			-			-
TOTAL COMMUNITY WEALTH/EQUITY	2	-	1,251,789	-	1,747,224	1,251,789

Note:

- The financial position shows only year to date actual

4. CASH FLOW

LIM334 Ba-Phalaborwa - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2015/16	Budget Year								
		Audited Outcome	2016/17	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges			69,404	–	2,910	5,109	11,567	(6,459)	-56%	69,404	
Service charges			86,894	–	12,420	23,577	14,482	9,095	63%	86,894	
Other revenue			10,572	–	2,079	4,122	1,762	2,360	134%	10,572	
Government - operating			114,153	–	2,060	48,412	19,026	29,387	154%	114,153	
Government - capital			29,460	–	–	11,181	4,910	6,271	128%	29,460	
Interest			49,756	–	275	465	8,293	(7,827)	-94%	49,756	
Dividends			–	–	–	–	–	–		–	
Payments											
Suppliers and employees			(318,412)	–	(27,962)	(64,116)	(53,069)	11,048	-21%	(318,412)	
Finance charges			(1,519)	–	(50)	(101)	(253)	(152)	60%	(1,519)	
Transfers and Grants			–	–	–	–	–	–		–	
NET CASH FROM/(USED) OPERATING ACTIVITIES			–	40,309	–	(8,268)	28,649	6,718	(21,931)	-326%	40,309
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE								–			
Decrease (Increase) in non-current debtors								–			
Decrease (increase) other non-current receivables								–			
Decrease (increase) in non-current investments					(18,200)	(18,200)		(18,200)	#DIV/0!		
Payments											
Capital assets			(40,160)		(6,668)	(10,816)	(6,693)	4,123	-62%	(40,160)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			–	(40,160)	–	(24,868)	(29,016)	(6,693)	22,323	-334%	(40,160)

CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		-	149	-	(33,136)	(367)	25			149
Cash/cash equivalents at beginning:			1,700			2,414	1,700			2,414
Cash/cash equivalents at month/year end:		-	1,849	-		2,047	1,725			2,563

Note:

The bank shows favourable closing balance of **R2 million** as at 31 August 2016.

5. DEBTORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	Budget Year 2013/14									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Electricity	6,617	3,923	1,581	1,170	696	719	667	30,286	45,660	33,538
Receivables from Non-exchange Transactions - Property Rates	8,162	5,321	3,790	3,257	3,035	3,810	3,797	123,907	155,079	137,806
Receivables from Exchange Transactions - Waste Management	1,445	1,207	1,100	878	847	836	846	46,784	53,943	50,192
Other	7,277	7,108	6,984	6,684	6,568	6,520	6,424	274,450	322,015	300,646
Total By Income Source	23,501	17,560	13,455	11,988	11,147	11,886	11,735	475,426	576,698	522,182
2012/13 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	1,614	1,865	1,713	481	384	390	509	17,630	24,586	19,394
Commercial	3,758	2,685	2,463	1,498	1,428	1,205	1,513	66,872	81,421	72,516
Households	16,519	12,268	8,684	9,585	8,919	9,759	9,236	385,171	460,142	422,671
Other	1,611	742	594	424	415	531	477	5,754	10,548	7,601
Total By Customer Group	23,501	17,560	13,455	11,988	11,147	11,886	11,735	475,426	576,698	522,182

Note:

- The Debtor's age analysis shows a total figure of R576.7 million from 30 days to over a year excluding Water and Waste Water Management.

6. CREDITORS AGE ANALYSIS

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2016/17								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	9,255								9,255
Other	0900	2,937	308							3,245
Total By Customer Type	1000	12,192	308	-	-	-	-	-	-	12,500

Notes:

- The creditor's age analysis shows a total figure of R12.5 million
- Top creditor included in trade and other creditors is Department of Roads and Transport

7. INVESTMENT PORTFOLIO

LIM334 Ba-Phalaborwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
ABSA BANK			CALL ACC				3	-	3
ABSA BANK			FIXED				88	3	91
STD BANK 238711102-001			CALL ACC				3,201	17,088	20,289
STD BANK 238711102-002			CALL ACC				1,042	1,222	2,264
STD BANK 238711102-004			CALL ACC				2,502	11	2,513
STD BANK 238711102-005			CALL ACC				276	1	277
TOTAL INVESTMENTS AND INTEREST	2				-		7,112	18,326	25,438

Notes:

Total Investment is standing at R25.4 million as at 31 August 2016.

8. TRANSFERS AND GRANT EXPENDITURES

LIM334 Ba-Phalaborwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
-										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:										
		-	114,153	-	458	46,472	46,584	(112)	-0.2%	114,153
Local Government Equitable Share			110,235	-	-	45,931	45,931	-		110,235
Finance Management			1,810	-	199	199	302	(103)	-34.1%	1,810
Municipal Systems Improvement			-	-	-	-	-	-		-
EPWP Incentive			1,000	-	145	145	167	(21)	-12.9%	1,000
Operating Grant: MIG (5% of MIG Grants for PMU)			1,108	-	114	197	185	12	6.7%	1,108
Total operating expenditure of Transfers and Grants:		-	114,153	-	458	46,472	46,584	(112)	-0.2%	114,153
<u>Capital expenditure of Transfers and Grants</u>										
National Government:										
		-	29,460	-	5,849	9,998	4,910	5,088	103.6%	29,460
Municipal Infrastructure Grant (MIG)			29,460	-	5,849	9,998	4,910	5,088	103.6%	29,460
								-		
Total capital expenditure of Transfers and Grants		-	29,460	-	5,849	9,998	4,910	5,088	103.6%	29,460
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	143,613	-	6,307	56,470	51,494	4,976	9.7%	143,613

Notes:

- The monthly operating transfers and grants expenditure is R458 thousand and Capital is R5.8 million

9. COUNCILLORS AND STAFF BENEFIT (section 66 of MFMA report)

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year							
		Audited Outcome	2016/17	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages			9,549	–	657	1,514	1,591	(77)	-5%	9,549
Motor Vehicle Allowance			3,345	–	226	471	557	(86)	-15%	3,345
Cellphone Allowance			891	–	63	124	148	(25)	-17%	891
Sub Total - Councillors		–	13,784	–	946	2,109	2,297	(188)	-8%	13,784
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages			3,797	–	267	535	633	(98)	-16%	3,797
Pension and UIF Contributions			11	–	1	1	2	(0)	-16%	11
Motor Vehicle Allowance			1,381	–	142	283	230	52	23%	1,381
Cellphone Allowance			86	–	6	12	14	(2)	-16%	86
Other benefits and allowances			780	–	47	67	130	(63)	-48%	780
Sub Total - Senior Managers of Municipality		–	6,055	–	463	898	1,009	(111)	-11%	6,055
<u>Other Municipal Staff</u>										
Basic Salaries and Wages			76,265	–	5,590	11,296	12,711	(1,414)	-11%	76,265
Pension and UIF Contributions			15,330	–	1,152	2,303	2,555	(252)	-10%	15,330
Medical Aid Contributions			4,992	–	388	777	832	(55)	-7%	4,992
Overtime			3,194	–	302	565	532	32	6%	3,194
Motor Vehicle Allowance			11,086	–	805	1,597	1,848	(251)	-14%	11,086
Cellphone Allowance			1,094	–	80	161	182	(22)	-12%	1,094
Housing Allowances			968	–	62	123	161	(38)	-24%	968
Other benefits and allowances			6,980	–	356	835	1,163	(328)	-28%	6,980
Long service awards			3,341	–	98	395	557	(162)	-29%	3,341

Sub Total - Other Municipal Staff		-	123,249	-	8,832	18,052	20,542	(2,490)	-12%	123,249
Total Parent Municipality		-	143,088	-	10,241	21,059	23,848	(2,789)	-12%	143,088
TOTAL SALARY, ALLOWANCES & BENEFITS		-	143,088	-	10,241	21,059	23,848	(2,789)	-12%	143,088
% increase	4		#DIV/0!							#DIV/0!
TOTAL MANAGERS AND STAFF		-	129,304	-	9,296	18,950	21,551	(2,601)	-12%	129,304

Notes:

- Political office bearer's remunerations for the month of August amounted to R951 thousand.
- Employee related costs R9.3 million.
- The municipality has total employee related cost & Remuneration of councillors of R10.2 million for the month of August 2016

10. ACTUALS AND REVISED TARGETS FOR CASH RECEIPT

LIM334 Ba-Phalaborwa - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Ref	Budget Year 2016/17											
		July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
R thousands	1												
<u>Cash Receipts By Source</u>													
Property rates		2,199	2,910	5,694	5,220	5,934	5,588	5,833	5,733	5,033	5,933	5,733	13,593
Property rates - penalties & collection charges													-
Service charges - electricity revenue		6,375	6,915	7,736	5,578	7,999	5,094	5,105	5,210	6,002	5,511	6,102	8,198
Service charges - water revenue		3,876	4,353										(8,229)
Service charges - sanitation revenue		479	663										(1,142)
Service charges - refuse		428	489	877	988	959	940	935	963	910	949	789	1,843
Rental of facilities and equipment		31	19	27	34	15	13	38	29	18	36	13	32
Interest earned - external investments		32	122	18	40	19	21	13	12	19	21	18	(8)
Interest earned - outstanding debtors		159	152	3,376	3,339	4,320	4,245	4,300	4,319	4,333	4,325	4,365	12,193
Fines		59	30	27	15	17	1	42	29	22	69	26	(63)
Licences and permits		254	2,011	1,576	568	730	1	533	634	475	563	622	(683)
Agency services		-	-	18	59	15	100	19	121	25	28	132	1,132
Transfer receipts - operating		46,352	2,060	-	-	36,292	-	-	-	29,837	-	-	(388)
Other revenue		1,698	20	18	59	15	100	19	121	25	28	132	(1,178)
Cash Receipts by Source		61,942	19,744	19,366	15,899	56,314	16,102	16,839	17,173	46,702	17,465	17,934	25,301
Other Cash Flows by Source													
Transfer receipts - capital		11,181	-	-	10,267	-	-	-	-	3,429	-	-	4,583
Total Cash Receipts by Source		73,123	19,744	19,366	26,166	56,314	16,102	16,839	17,173	50,131	17,465	17,934	29,884
<u>Cash Payments by Type</u>													
Employee related costs		9,654	9,296	10,593	10,888	10,418	10,678	10,667	10,466	10,563	10,667	10,125	11,290
Remuneration of councillors		1,163	951	1,137	1,137	1,171	1,128	1,113	1,120	1,150	1,109	1,111	1,495
Interest paid		51	50	116	118	138	126	122	113	106	100	119	360

Bulk purchases - Electricity	15,149	6,200	5,000	10,500	4,500	7,000	6,167	7,157	7,525	7,990	6,994	(1,922)
Contracted services	4,067	77	1,462	3,986	2,426	8,595	3,167	3,248	1,549	3,857	3,268	4,355
General expenses	6,121	11,438	2,636	4,771	6,099	7,158	5,833	2,153	4,687	5,235	1,987	(1,111)
Cash Payments by Type	36,205	28,012	20,943	31,400	24,752	34,685	27,068	24,257	25,580	28,957	23,604	14,467
Other Cash Flows/Payments by Type												
Capital assets	4,149	6,668	1,720	8,509	2,443	3,273	1,000	2,000	-	10,410	5,950	(5,960)
Repayment of borrowing												-
Other Cash Flows/Payments		18,200										(18,200)
Total Cash Payments by Type	40,354	52,879	22,663	39,909	27,195	37,958	28,068	26,257	25,580	39,367	29,554	(9,694)
NET INCREASE/(DECREASE) IN CASH HELD	32,769	(33,136)	(3,297)	(13,742)	29,119	(21,856)	(11,229)	(9,084)	24,551	(21,902)	(11,620)	39,577
Cash/cash equivalents at the month/year beginning:	2,414	35,183	2,047	(1,250)	(14,992)	14,127	(7,729)	(18,958)	(28,042)	(3,491)	(25,393)	(37,014)
Cash/cash equivalents at the month/year end:	35,183	2,047	(1,250)	(14,992)	14,127	(7,729)	(18,958)	(28,042)	(3,491)	(25,393)	(37,014)	2,563

Notes

Total actual cash receipts for the month amount to R19.7 million. This total is including Grants, Water and sanitation service charges.

Total actual cash payments made for the month amount to R34.7 million. R18.2 million was transferred from main account to call accounts. The closing balance on the primary bank account shows favourable bank balance of R2 million

11.CAPITAL EXPENDITURE TREND

LIM334 Ba-Phalaborwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July		4,038	–	3,639	3,639	4,038	399	9.9%	8%
August		4,038	–	7,334	10,973	8,077	(2,896)	-35.9%	23%
September		4,038	–			12,115	–		
October		4,038	–			16,153	–		
November		4,038	–			20,192	–		
December		4,038	–			24,230	–		
January		4,038	–			28,268	–		
February		4,038	–			32,307	–		
March		4,038	–			36,345	–		
April		4,038	–			40,383	–		
May		4,038	–			44,422	–		
June		4,038	–			48,460	–		
Total Capital expenditure	–	48,460	–	10,973					

Notes:

- Capital expenditure incurred during the month of August 2016 amount to R7.3 million (MIG and Internal Capital expenditure excluding VAT)

12.BANK RECONCILIATION

BA-PHALBORWA MUNICIPALITY

TRANSACTION STATEMENT FOR AUGUST 2016

ACC: 330451367

Statement Description	Statement Amt
Outstanding C/F	35,182,743.60
Current - Cheques	-47,074.10
Current - ACBs	-21,961,661.16
Current - ACB Rejects	-
Current - Deposits	5,150,399.80
Current - RD Cheques	-
Current - Redeposits	-
Current - Transfers	14,968,264.09
Current - Bank Charges	-25,937.76
current- Other Transfers	-31,219,758.46
Current - Already Reconciled	-
Current - C/F	2,046,976.01

Notes

- The closing balance as at 31 August 2016 is **R2 million**

13.RECOMMENDATIONS

a. That the following be noted:

- 1) The financial report for the period ended 31 August 2016 **excluding Water and Waste Water management**
- 2) The summary of monthly budget statement report for the month ended 31 August 2016
- 3) The financial performance for the month ended 31 August 2016
- 4) The financial position as at 31 August 2016
- 5) The actual operating revenue (as per GRAP) for the month ended 31 August 2016 is R21.4 million
- 6) Revenue Capital Contribution recognised amount to R5.8 million (MIG Including VAT)
- 7) Operational Expenditure on financial Performances is R25.5 million.
- 8) Capital Expenditure incurred during the month ended 31 August 2016 amount to R7.3 million (MIG and internal Capital Expenditure excluding VAT)
- 9) The municipality received the following allocation as per DoRA
 - FMG of R1.8 million
 - EPWP of R250 thousand

-
- 10) Consolidated call deposit accounts held at STD Bank and ABSA closed with a balance of R25.4 million on 31 August 2016
 - 11) That councillors and Staff Benefits for August 2016 amount to R10.2 million be approved
 - 12) Municipal Primary Bank reconciliation closed with a positive balance of **R2 million** as at 31 August 2016